



## Labor and Workforce Development

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CHARLIE BAKER  
GOVERNOR

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### Baker-Polito Administration Receives \$269,000 Federal Grant To Address Worker Misclassification

**BOSTON, MA, SEPTEMBER 23, 2015...**The Baker-Polito Administration announced today that the Executive Office of Labor and Workforce Development was awarded a \$269,215 federal grant to help identify misclassified workers and improper payments to the state's unemployment insurance system.

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The grant from the U.S. Department of Labor will help correct employee misclassification that can impact workers and business competitiveness.

"This grant will help us to reduce misclassification, protect workers, and strengthen the integrity of the unemployment insurance system," Governor Charlie Baker said.

"We look forward to using these resources to ensure accountability for employers by identifying instances of misclassification and investing in technology to improve that process," Labor and Workforce Development Secretary Ronald Walker, II said.

The U.S. Department of Labor awarded \$10 million in federal grants, in 45 states and territories, to reduce the misclassification of employees as independent contractors. The funding will help prevent and detect improper benefit payments, and address outdated technology systems.

"For more than 80 years, the unemployment insurance system has been a crucial lifeline for millions of working people who lost their job through no fault of their own," U.S. Secretary of Labor Thomas E. Perez said. "These grants will help states use every tool at its disposal to ensure payments are available to those who are eligible, and take important steps to reduce and recover improper payments. The funds will also identify new ways to level the playing field for responsible employers."

This is the second year the U.S. Department of Labor has awarded grants for worker misclassification programs, and the second time Massachusetts received a grant. The grants aim to increase the state's unemployment insurance programs to identify misclassification of workers or unreported wages, which results in losses to the state unemployment insurance fund and less access for workers to critical benefits and protections.

The federal Consolidated and Further Continuing Appropriations Act of 2015 authorized funding for "activities to address the misclassification of workers." The U.S. Department of Labor awarded grants up to \$500,000 on a competitive basis.